

FREDDY'S FROZEN CUSTARD & STEAKBURGERS

1215 Highway 85 North | Fayetteville, GA



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EXECUTIVE SUMMARY

Freddy's | Fayetteville, GA

Graystone Capital Advisors is pleased to exclusively offer for sale a single tenant net leased Freddy's Frozen Custard & Steakburgers property located in the Atlanta MSA. This Freddy's sale leaseback features a 20-year absolute triple net lease that includes 10% rental increases every five years. The lease is guaranteed by JRI Hospitality, the largest franchise operator of Freddy's with +/- 80 existing locations across 15 states and plans for additional growth.

Freddy's has approximately 450 locations and is one of the fastest growing restaurant chains in the US. The property is strategically positioned within an Affluent Atlanta Suburb with Approx. 1,280,000 Residents within 20 Miles.

This property can be purchased individually or as a part of a 6-property portfolio.



KEY FINANCIAL DATA

Price	\$3,510,000
Cap Rate	5.70%
Lease Type	Absolute-Net
Years Remaining	Brand-New 20-Year
Guarantor	JRI Hospitality (#1 Franchisee in System)



INVESTMENT OVERVIEW

Atlanta Metro Market Overview

The metro Atlanta economy is girded for a recession, should one ultimately take root, entering the second half of 2022. Atlanta has long since recovered all jobs lost in the pandemic. Office-using sectors took a hit in the early months of the coronavirus pandemic. Still, employment in the professional and business services and financial activities sectors have rebounded quicker than the Atlanta market average and are now well above their respective pre-pandemic peaks. Furthermore, a handful of large corporations are in the process of adding thousands of high-paying office jobs. For example, Microsoft, Google, FanDuel, Visa, Cisco, Micron, and Norfolk Southern are opening major offices in Midtown.

In early 2022, Walmart announced it is opening a major tech hub in Atlanta. In other sizable recent moves, TK Elevator opened its North American headquarters at The Battery in Cumberland/Galleria; FinTech firm Deluxe Corporation added 700 new jobs at an innovation center in Central Perimeter, Papa Johns relocated its headquarters to Cumberland/Galleria, Mailchimp is expanding its local presence on the Eastside, Carvana is opening a major office in Central Perimeter, while Airbnb and Nike are each establishing East Coast hubs in West Midtown. These expansions follow several Fortune 500 firms setting up technology-related operations locally, including BlackRock, Facebook, Anthem, and Honeywell.

Growth in the warehouse and distribution industry helped counterbalance to weakness in the leisure and hospitality sector caused by the pandemic. Hiring by firms like Amazon, Home Depot, HelloFresh, Freshly, Purple Mattress, and Goodyear, among others, has helped boost blue-collar job growth in recent quarters. Furthermore, the greater Atlanta region is emerging as a major electric vehicle manufacturing hub, boosting industrial demand and job growth in the coming years. SK Innovation's new facility in Commerce, just northeast of the Atlanta metro, will employ thousands at full buildout and could eventually serve as one of the world's largest hubs of electric vehicle battery manufacturing. And on the eastern fringe of the metro along I-20, Rivian announced it will build a new \$5 billion electric vehicle manufacturing plant, slated to employ 7,500 workers when fully staffed.

Long term, Atlanta will continue to benefit from its standing as a major regional and national distribution hub and its proximity to the fast-growing Port of Savannah. The presence of the well-connected Hartsfield-Jackson Atlanta International Airport is a significant factor in helping Atlanta attract residents and corporations. Atlanta's transportation and logistics hub status helped attract Norfolk Southern, which moved its corporate headquarters to Midtown in 2021. The firm is adding roughly 850 new jobs with an average salary north of \$100,000. The airport, along with generous tax incentives, has also helped the region's growing film and entertainment industry, which is responsible for \$3 billion in annual direct spending in the state.



INVESTMENT OVERVIEW

Fayetteville, GA | Demographics

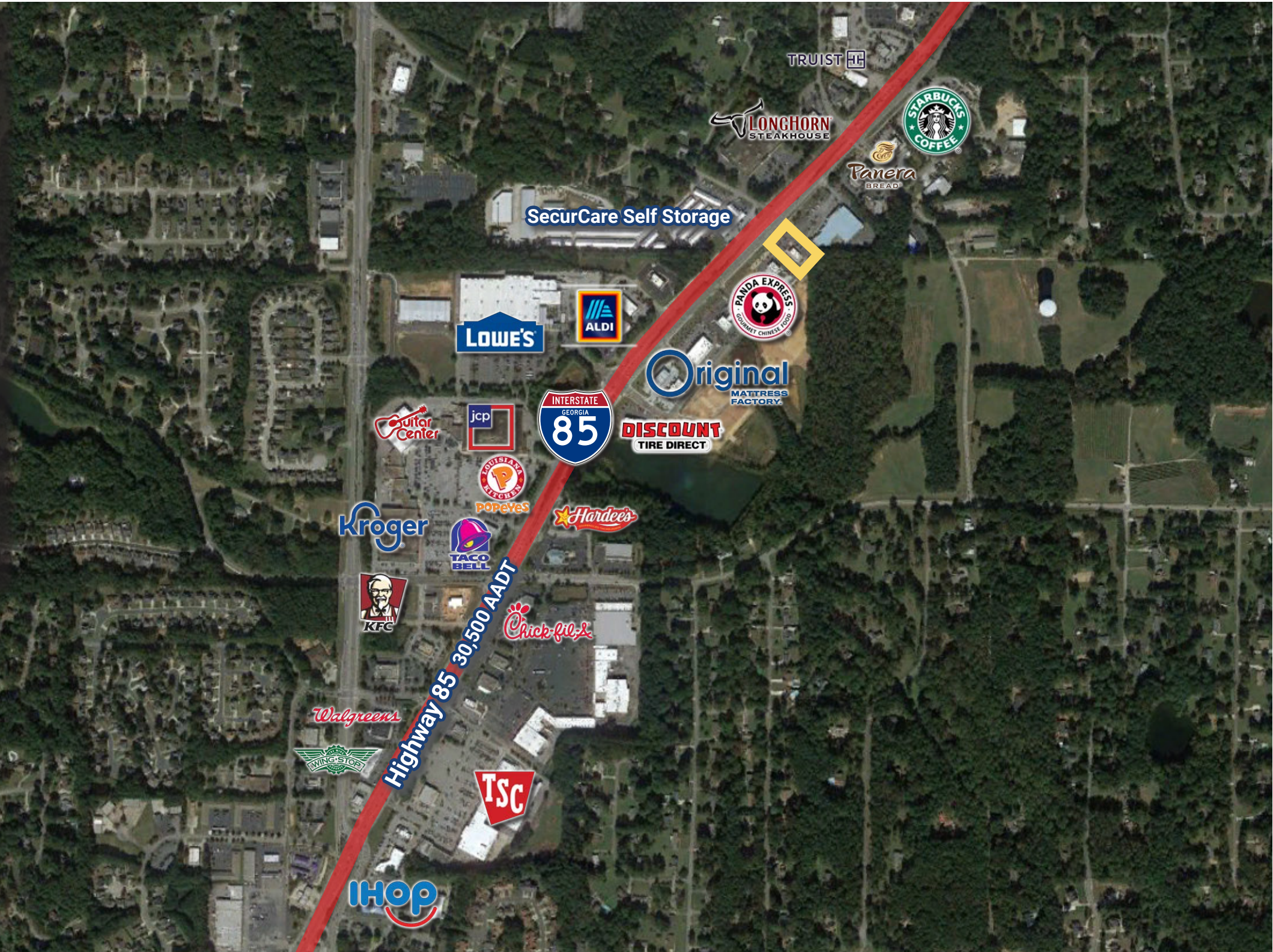
DEMOGRAPHICS	1 MILE	3 MILE	5 MILE
Population:			
2010 Census	2,588	24,788	85,390
2020 Estimate	2,742	27,223	94,763
2025 Projection	2,897	28,899	100,577
2020 Population by Race:			
2020 White Alone	1,173	11,081	28,689
2020 Black Alone	1,344	13,900	59,892
2020 American Indian/Alaska Native Alone	9	102	463
2020 Asian Alone	148	1,382	3,321
2020 Pacific Islander Alone	2	46	135
2020 Hispanic	156	1,574	8,408
Households:			
2010 Census	991	9,389	29,748
2020 Estimate	1,046	10,316	32,964
2025 Projection	1,105	10,952	34,977
Growth 2010 - 2020	0.4%	0.6%	0.4%
Growth 2020 - 2025	1.1%	1.2%	1.2%
2020 Avg Household Income	\$89,610	\$88,640	\$83,913



INVESTMENT OVERVIEW

Property Highlights

- Located Within the Atlanta MSA in An Affluent and Rapidly Expanding Area
- Long-Term 20-Year Lease
- Absolute Triple Net Lease with No Landlord Responsibilities
- 10% Rental Increases Every Five Years
- Strategically Positioned Within an Affluent Atlanta Suburb with 1,280,000 Residents Within 20 Miles
- Situated In Dense Retail Corridor, Adjacent to Walmart Super Center, Publix, Target, Home Depot, Lowe's, and Kroger
- Affluent Surrounding Area with Average Annual Household Incomes of Nearly \$100,000
- Projected Annual Population Growth of Approximately 1.1% Within One Mile Over the Next Five Years



INVESTMENT OVERVIEW

Tenant Overview



Founded in 2011, JRI Hospitality owns and operates over 80 restaurants in 15 states, including Freddy's Frozen Custard & Steakburgers, Mokas Cafe, The Original Grande, and Chompie's Restaurants. We are projected to expand our reach with 20 projects per year to ensure everyone in the United States can enjoy our line of brands. They are the largest Franchisee of Freddy's Frozen Custard & Steakburgers in the system.

Freddy's Frozen Custard & Steakburgers is an American fast-casual restaurant chain based in Wichita, Kansas. Its menu includes steakburgers, Vienna Beef hot dogs, and chicken sandwiches, and the company provides frozen custard with a variety of specialty sundaes and concretes (blended sundaes) Freddy's was co-founded in 2002 by brothers Bill and Randy Simon with their friend and business partner, Scott Redler. It was named in honor of Bill and Randy's father.



PROPERTY PRICING

Fayetteville, GA | Financial Analysis

PROPERTY SUMMARY

Address	1215 Highway 85 North, Fayetteville, GA 30214
APN	0538 159
Year Built/Renov.	2020
Gross Leaseable Area	2,592
Lot Area (SF)	50,094
Zoning	Commercial
Type of Ownership	Fee Simple

PRICING

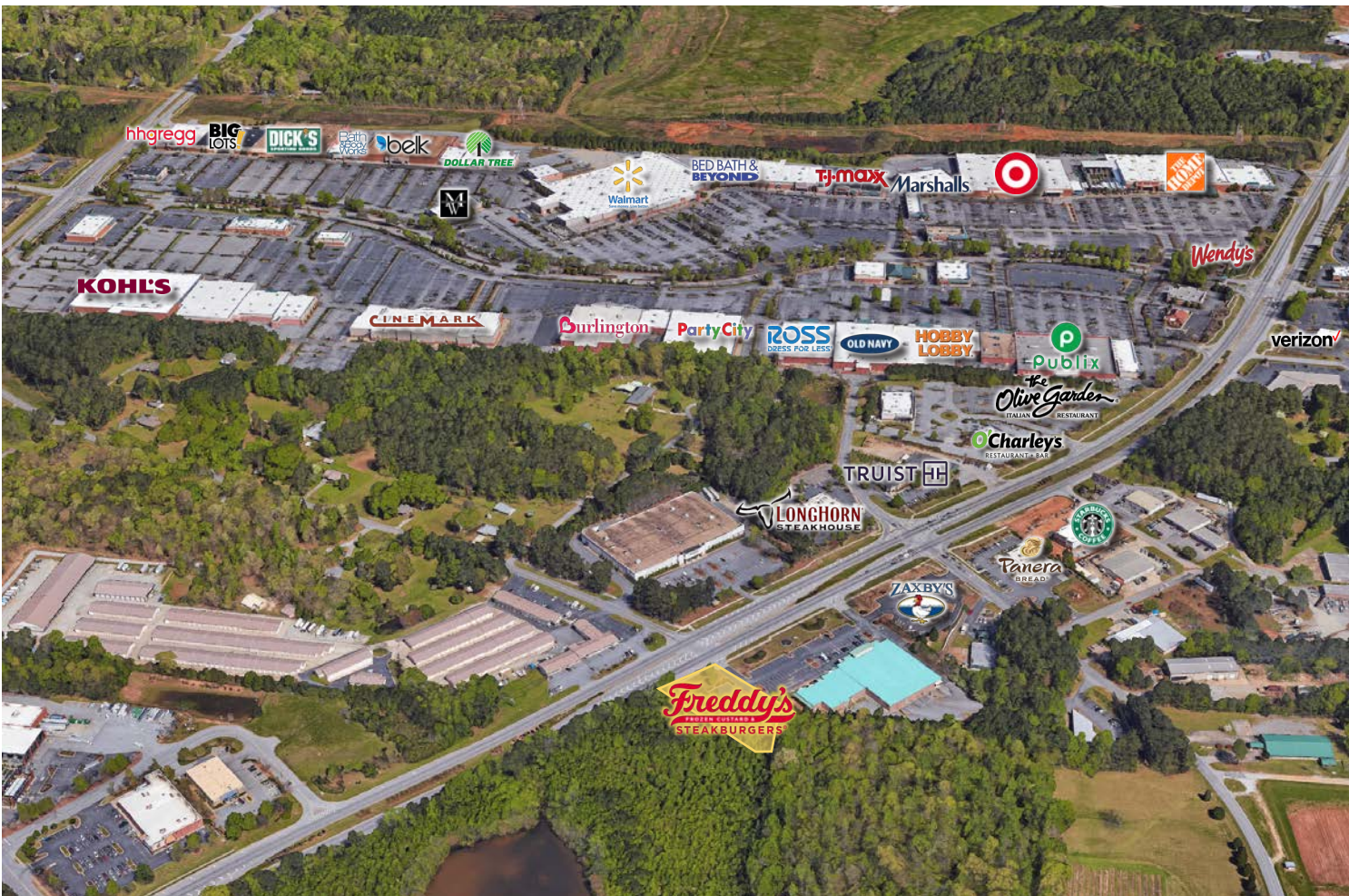
Price	\$3,510,000
Cap Rate	5.70%
Price/SF	\$1,354.17

LEASE OVERVIEW

Property Sub-Type	Net-Leased Fast Food
Tenant	Franchisee
Guarantor	JRI Hospitality
Lease Type	Absolute-Net
Lease Commencement	Close of Escrow (COE)
Lease Expiration	20 Years From COE
Options	Four, 5-Year
Rental Increases	10% Every 5 Years

ANNUALIZED OPERATING DATA

YEAR	ANNUAL RENT	MONTHLY RENT	RENT/SF	CAP RATE
Year 1 - Year 5	\$200,000	\$16,666.67	\$77.16	5.70%
Year 6 - Year 10	\$220,000	\$18,333.33	\$84.88	6.27%
Year 11 - Year 15	\$242,000	\$20,166.67	\$93.36	6.89%
Year 16 - Year 20	\$266,200	\$22,183.33	\$102.70	7.58%
Year 21 - Year 25 (Option 1)	\$292,820	\$24,401.67	\$112.97	8.34%
Year 26 - Year 30 (Option 2)	\$322,102	\$26,841.83	\$124.27	9.18%
Year 31 - Year 35 (Option 3)	\$354,312	\$29,526.00	\$136.69	10.09%
Year 36 - Year 40 (Option 4)	\$389,743	\$32,478.58	\$150.36	11.10%



PORTFOLIO OFFERING

Portfolio Overview

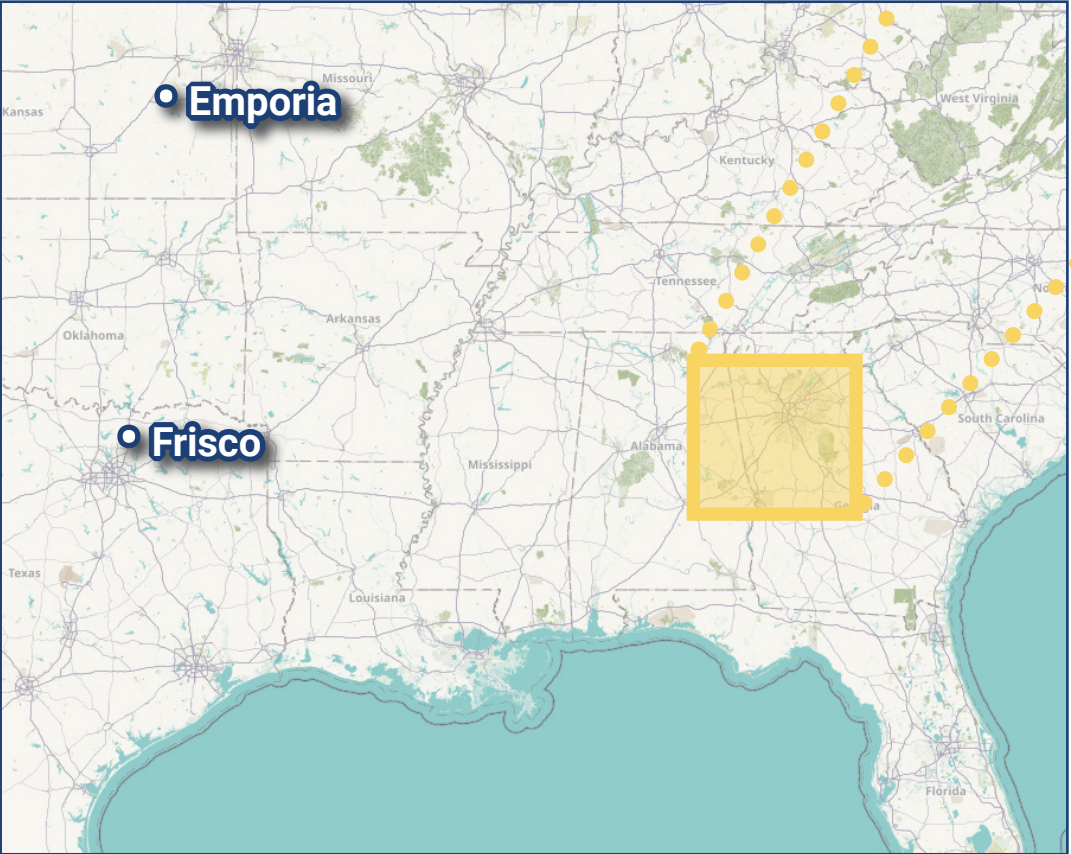
PORTFOLIO AVAILABLE		
Property	Price	Cap
Texas		
Frisco	\$3,275,000	5.50%
Alabama		
Opelika	\$2,910,000	5.75%
Kansas		
Emporia	\$2,035,000	5.65%
Georgia		
Fayetteville	\$3,510,000	5.70%
Newnan	\$2,985,000	5.70%
LaGrange	\$2,632,000	5.70%

Exclusively Listed By
 Graystone Capital Advisors in Cooperation with Bang Realty

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The information contained herein has been obtained from sources we deem reliable. We cannot assume responsibility for its accuracy.

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